Arrow Electronics

Investor Presentation

December 2024



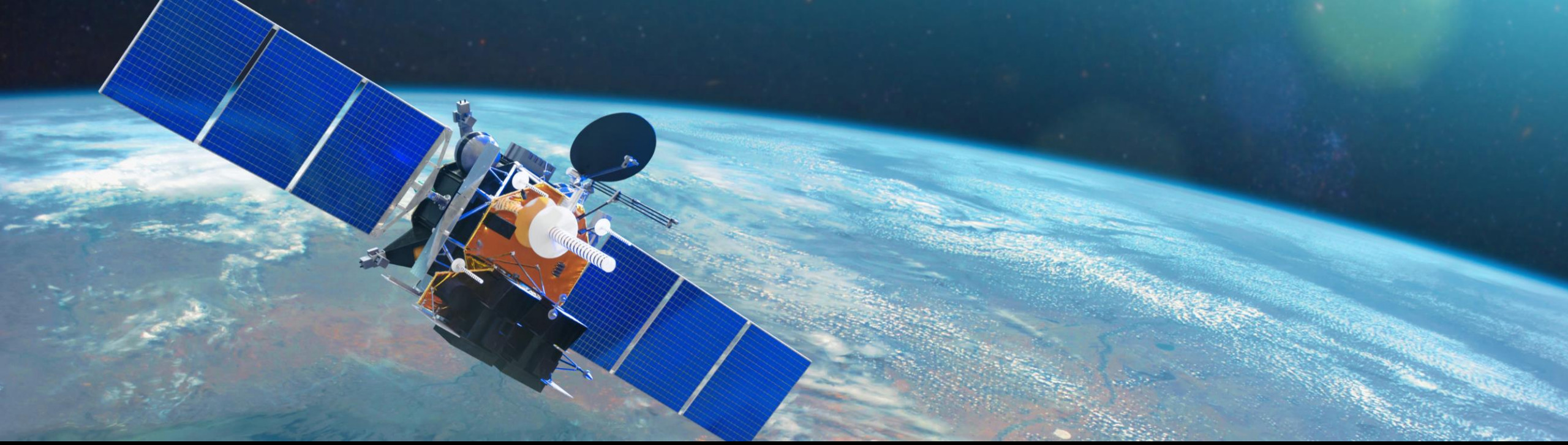
Safe harbor

This presentation includes “forward-looking” statements, as the term is defined under the federal securities laws, including but not limited to statements regarding: Arrow’s future financial performance, including its outlook on financial results for the first quarter of fiscal 2025 such as sales, net income per diluted share, non-GAAP net income per diluted share, average tax rate, interest and other expense, impact to sales due to changes in foreign currencies, intangible amortization expense per diluted share, restructuring & integration charges per diluted share, the timing of the completion of the Operating Expense Efficiency Plan (the “Plan”) and Arrow’s estimated costs and expected operating expense reductions from the Plan, industry trends and expectations regarding market demand and conditions and shareholder returns. These and other forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which could cause actual results or facts to differ materially from such statements for a variety of reasons, including, but not limited to: the incurrence of additional charges not currently contemplated and failure to realize contemplated cost savings due to unanticipated events that may occur, including in connection with the implementation of the Plan; unfavorable economic conditions; disruptions, shortages or inefficiencies in the supply chain; political instability and changes; impacts of military conflict and sanctions; industry conditions; changes in product supply, pricing and customer demand; trade protection measures, tariffs, and other restrictions, duties, and value-added taxes; competition; other vagaries in the global components and the global ECS markets; deteriorating economic conditions, including economic recession, inflation, tax rates, foreign currency exchange rates, or the availability of capital; the effects of natural or man-made catastrophic events; changes in relationships with key suppliers; increased profit margin pressure; changes in legal and regulatory matters; non-compliance with certain regulations, such as export, antitrust, and anti-corruption laws; foreign tax and other loss contingencies; breaches of security or privacy of business information and information system failures, including related to current or future implementations, integrations and upgrades; outbreaks, epidemics, pandemics, or public health crises; future regulatory trends and the resulting legal and reputation exposure, including but not limited to those relating to environmental, social, governance, cybersecurity, data privacy, and artificial intelligence issues; and the company's ability to generate positive cash flow. For a further discussion of these and other factors that could cause the company's future results to differ materially from any forward-looking statements, see the section entitled “Risk Factors” in the company's most recent Annual Report on Form 10-K, as well as in other filings the company makes with the Securities and Exchange Commission. Shareholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The company undertakes no obligation to update publicly or revise any of the forward-looking statements.

In addition, this presentation includes certain non-GAAP financial measures. These non-GAAP financial measures, which may be different than similarly titled measures used by other companies, are presented to enhance investors’ overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. See "Certain Non-GAAP Financial Information" for more information and a reconciliation between GAAP and non-GAAP measures provided in this presentation.

Agenda

1. Overview
2. Business detail – global components
3. Business detail – global enterprise computing solutions
4. Financials
5. Additional information and financial tables



Overview

Our noble purpose

We enable technology solutions that make a positive difference in people's lives; we guide the power of innovation to make the world better.



Our history

1935

Arrow Radio opens on Radio Row in New York City

1946

Incorporated as Arrow Electronics

1961

Arrow goes public

1979

Listed on NYSE (ARW)

1986

50+ acquisitions and expansion into Europe and Asia

2005

Arrow expands computer products business beyond North America

2011

Arrow moves HQ from New York to Colorado

2024

Arrow tops category in FORTUNE's "World's Most Admired Companies" list for 11 consecutive years

Executive leadership & core values

Ethical
We believe in and are committed to behaving with integrity and respect at all times, when everyone is watching and when no one is watching.

Open-Minded and Courageous
We believe in and are committed to behaving with well-intended curiosity, welcoming diverse ways of thinking and working, expanding our mind- and behavior sets, when venturing and when persevering.

Results-Oriented and Accountable
We believe in and are committed to behaving with responsibility and ownership for the quality of our work, when accomplishing intended outcomes and when course correcting.

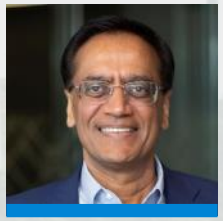
Innovative
We believe in and are committed to behaving with original thinking and executing new ideas, continuously adapting our mind- and behavior-sets to create increased value.

Customer Centricity
We believe in and are committed to behaving with a customer-first orientation, earning trust and loyalty, and driving repeat and growing business.

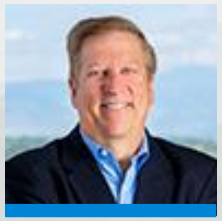
One Arrow
We believe in and are committed to behaving with the broadest view of our organization, understanding the vital role we each play for the greatest good of all stakeholders.



Sean J. Kerins
President and Chief Executive Officer



Raj Agrawal
Senior Vice President, Chief Financial Officer



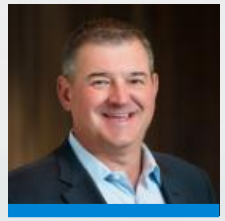
Alan Bird
Senior Vice President, Chief Transformation Officer



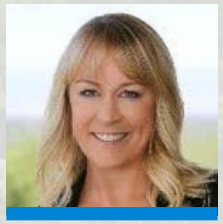
Carine Jean-Claude
Senior Vice President, Chief Legal Officer and Secretary



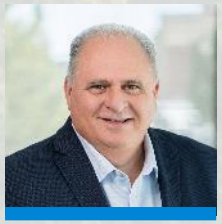
Steve Kerdock
Senior Vice President, Chief Marketing Officer



Chuck Kostalnick
Senior Vice President, Chief Logistics and Procurement Officer



Raime Leeby
Senior Vice President, Chief Strategy Officer



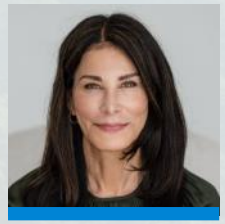
Rick Marano
President, Global Components



Eric Nowak
President, Global Enterprise Computing Solutions



Kim Brown Wilmsen
Senior Vice President, Chief Information Officer



Gretchen K. Zech
Senior Vice President, Chief Governance, Sustainability, and Human Resources Officer

Arrow Electronics at a glance

We enable technology solutions that make a positive difference in people's lives; we guide the power of innovation to make the world better

Centennial, CO
HEADQUARTERS

52
COUNTRIES WITH EMPLOYEES

21,000+
EMPLOYEES

>175
WORLDWIDE LOCATIONS

85
COUNTRIES SERVED

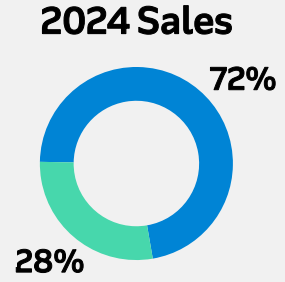
ARW (NYSE)
TICKER SYMBOL

133
FORTUNE 500 RANK

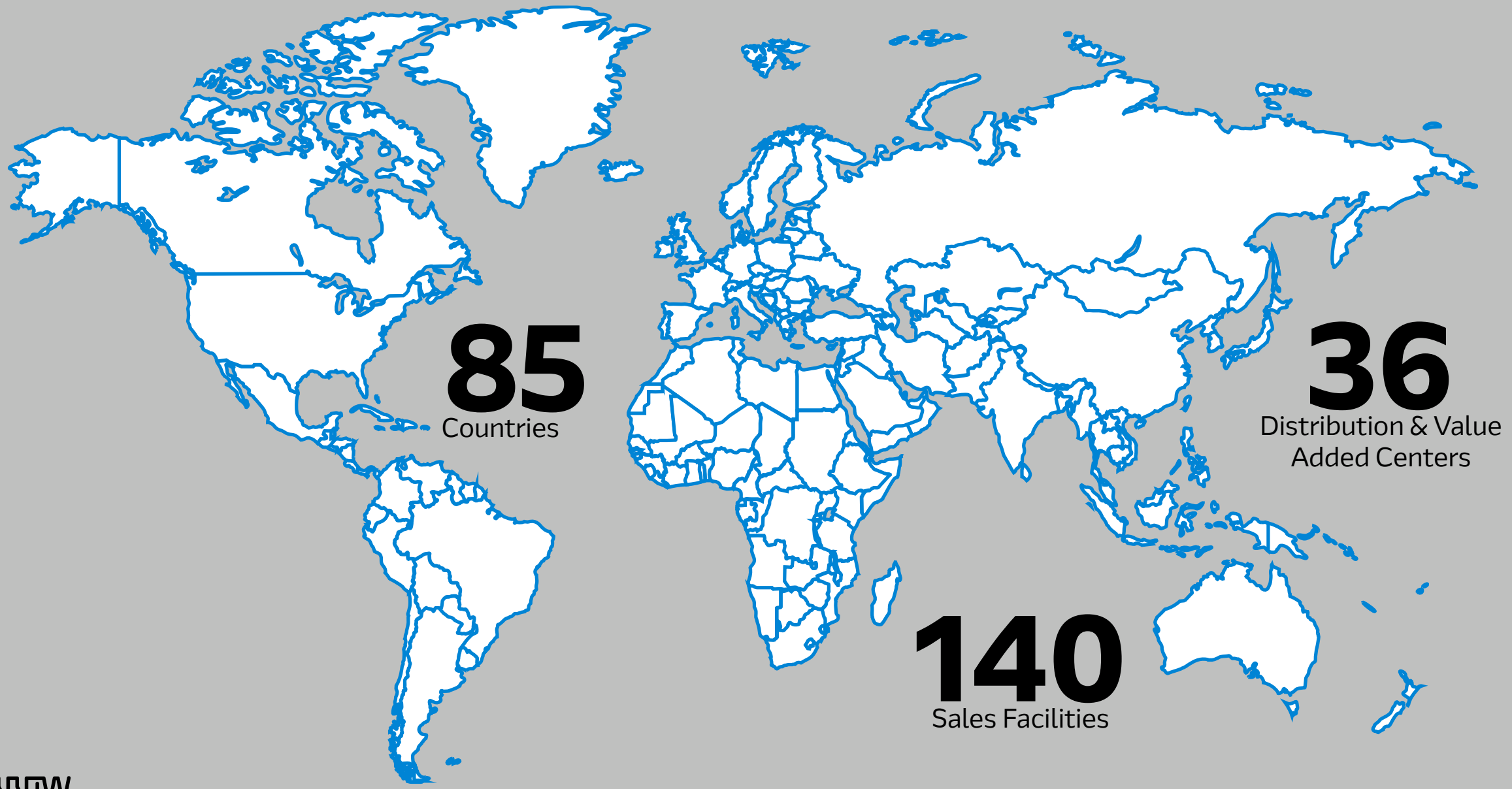
$27.9 billion
2024 SALES

1935
FOUNDED

- Global **provider of products, services, and solutions** to industrial and commercial users of electronic components and enterprise computing solutions
- The company has **two reportable segments**:
  - The **global components** business distributes electronic components
  - The **global enterprise computing solutions** ("ECS") business provides information technology solutions
- Global components has operations in the **Americas, EMEA** and the **Asia-Pacific** regions; global enterprise computing solutions has operations in the **Americas** and **EMEA**



We specialize in managing complexity



85
Countries

36
Distribution & Value Added Centers

140
Sales Facilities

Serving diverse end markets with enabling technology

End Markets


Industrial / Automation


Healthcare / Medical


Consumer Electronics


Aerospace / Defense


Auto/Transportation


Data Center

Arrow Technologies / Solutions

Semiconductors

IP&E

Engineering Services

Supply Chain Services

Software (Infrastructure, Data Intelligence, Security)

Cloud Enablement

Infrastructure Hardware (Storage, Compute, Networking)

IT as a Service

Arrow Businesses*

GLOBAL COMPONENTS SALES

$20.0B

GLOBAL ENTERPRISE COMPUTING SOLUTIONS SALES

$7.9B

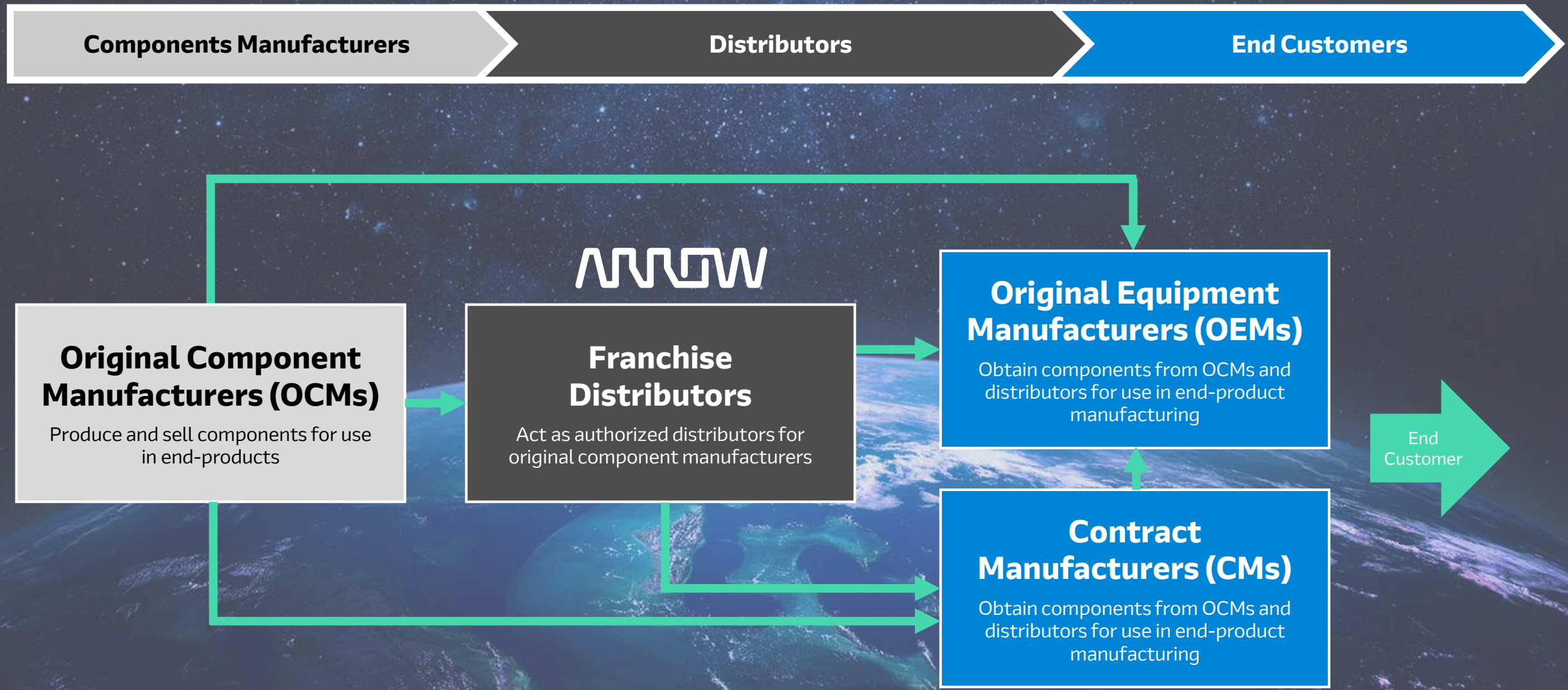
* Revenue figures for 2024
IP&E – Interconnect, Passive & Electro-mechanical devices



Business detail

Global components

Electronic components value chain overview



Global components

The foundation of the components business is the distribution of semiconductor components as well as interconnects, passives & electromechanical devices (IP&E)

Semiconductors

IP&E

Global reach
Hundreds of suppliers
Thousands of customers
No one customer accounts for > 2% of sales

140 sales locations
36 distribution facilities

Engineering Services

From design engineering support for our customers new product introductions to complete turn-key engineering solutions

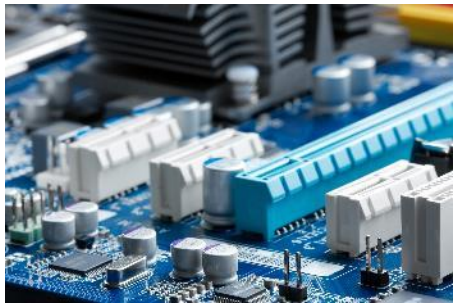
Supply Chain Services

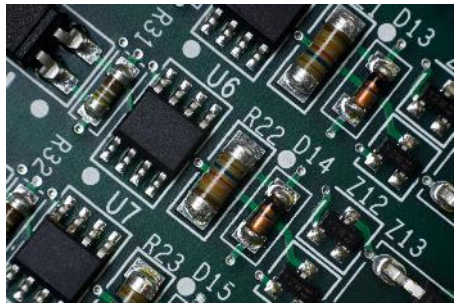
Providing improved supply chain visibility, managing supply/demand, inventory, order management, fulfillment and logistics for our customers

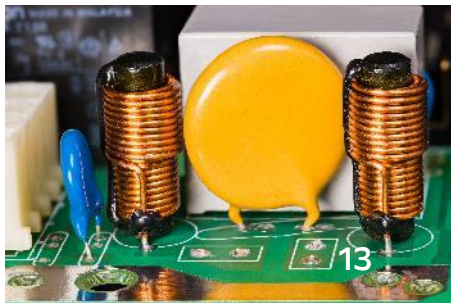












Global components

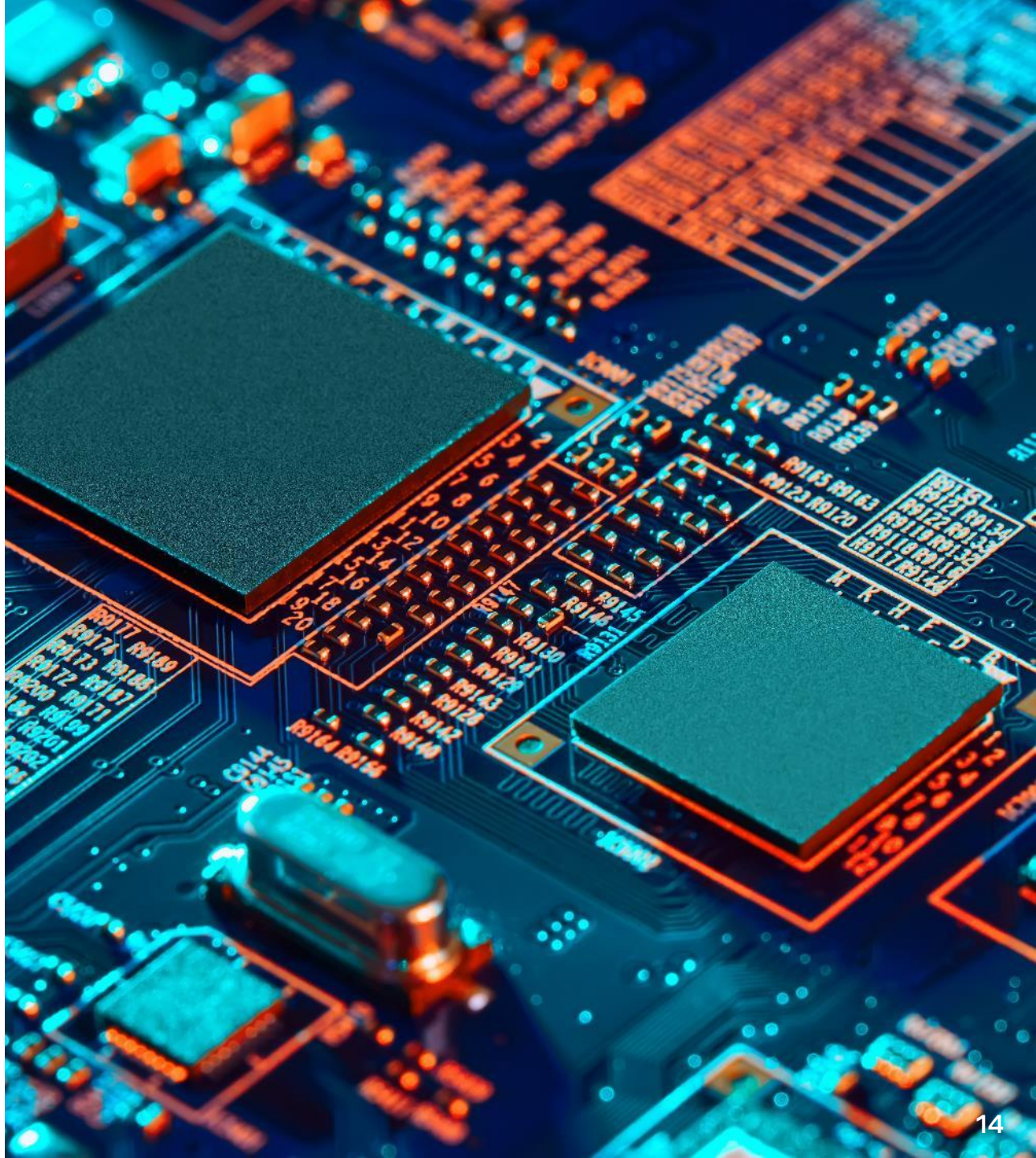
Semiconductors

- Arrow suppliers are the major device manufacturers who provide logic (CPUs, GPUs, FPGAs) and memory (DRAM, Flash)

IP&E – interconnects, passives & electromechanical

- A fragmented supplier base provides the non-active components in an electronic system. “interconnects" are connectors and cables. “passive" components refer to resistors, capacitors, batteries and inductors. “electromechanical" covers mechanical relays and switches, power supplies and a variety of sensors.

Global component customers are OEMs, EMS companies and ODMs with no one customer accounting for more than 2% of revenue



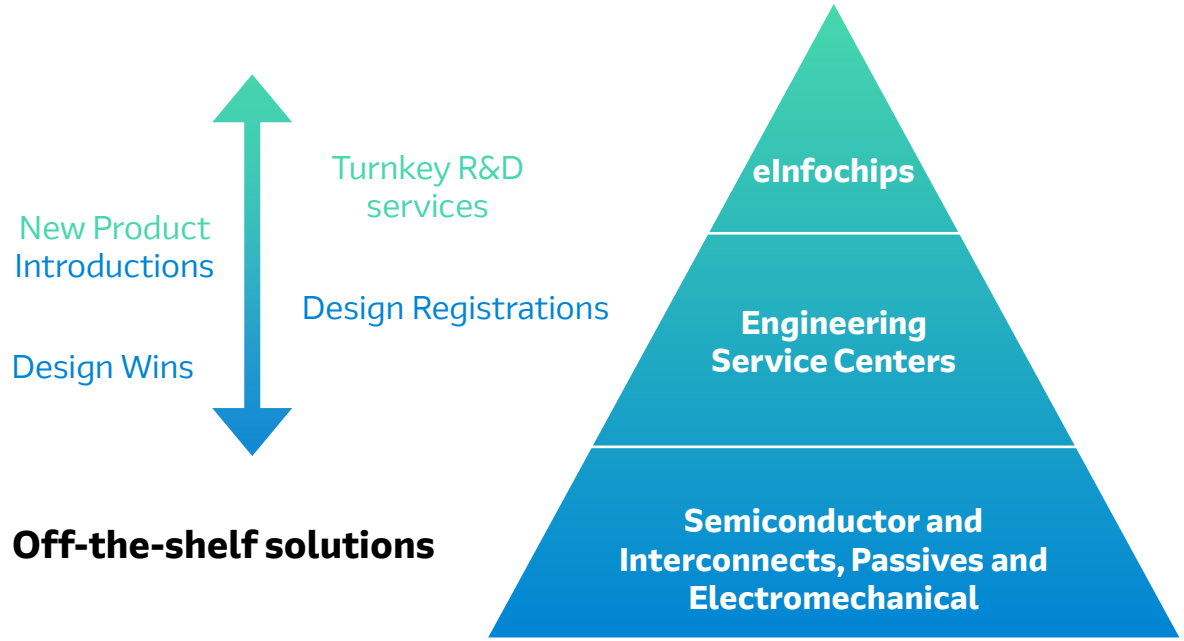
OEM – Original Equipment Manufacturer | EMS – Electronics Manufacturing Service
ODM – Original Design Manufacturer

Global components

Engineering Services

We help customers (EMS companies and OEMs) get to market quickly, and enable our suppliers' technology in the market

Complex, custom solutions



Off-the-shelf solutions



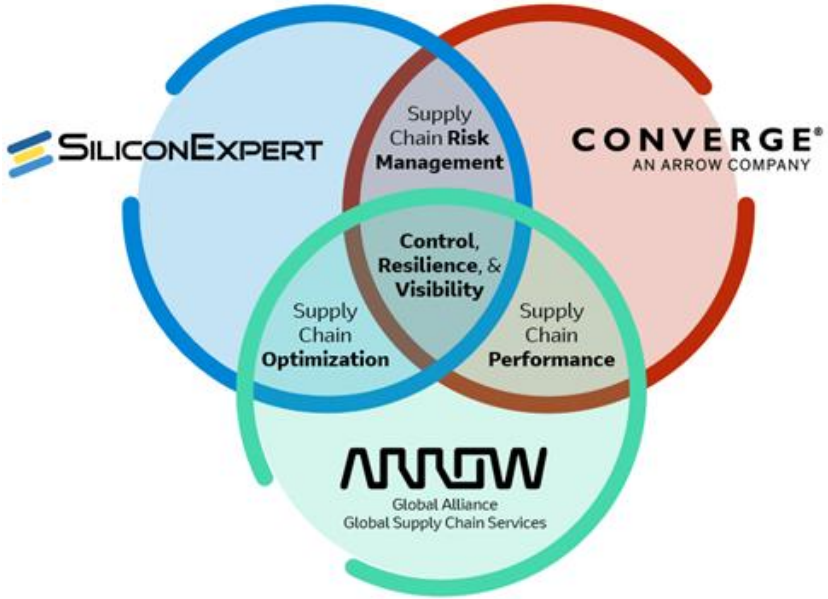


Global components

Supply Chain Services

We manage highly complex, high-volume global supply chains for large OEMs and suppliers with our:

- seasoned industry experts
- best-in-class processes
- world-class systems and infrastructure
- extensive global footprint and reach

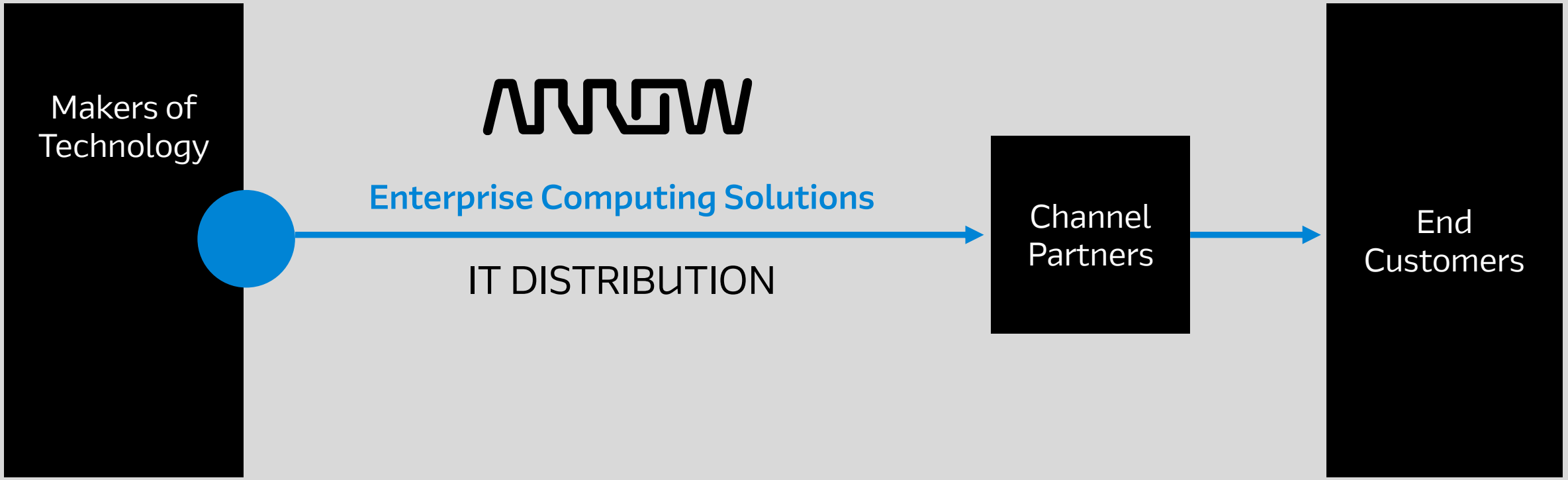




Business detail

Global enterprise computing solutions

Enterprise computing solutions value chain overview



Global enterprise computing solutions

With access to hundreds of vendors, we enable our community of thousands of channel partners to deliver modern IT solutions for their customers.

Software
(Infrastructure, Data Intelligence, Security)

Infrastructure Hardware (Storage, Compute, Networking)

We deliver complex hardware, software, and cloud solutions. Our award-winning digital platform, ArrowSphere, helps partners manage, scale, and differentiate.

Cloud Enablement

IT as a Service





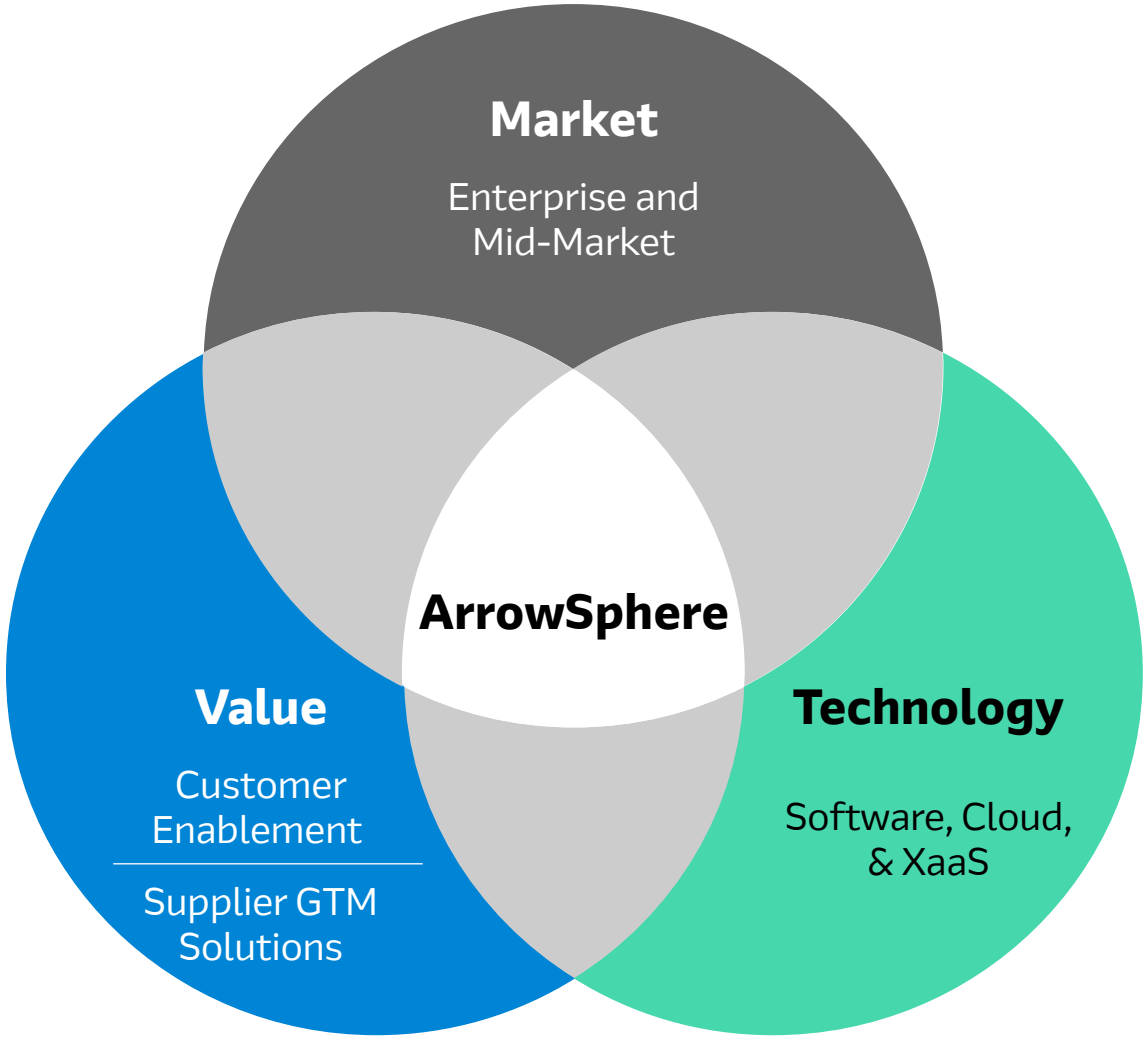








Global enterprise computing solutions



Our ArrowSphere platform is at the center of our strategy

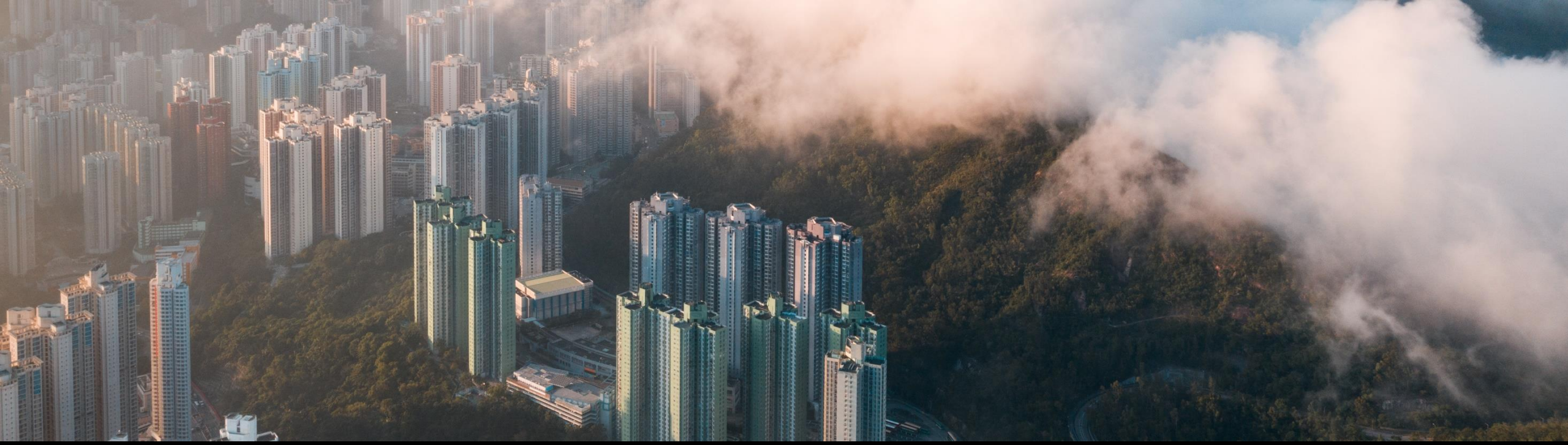
We target enterprise and mid-market customers through channel partners on behalf of our suppliers

Channel partners enjoy

- Cloud and “everything-as-a-service” enablement
- Hardware and software distribution capabilities

Specializing in channel enablement services

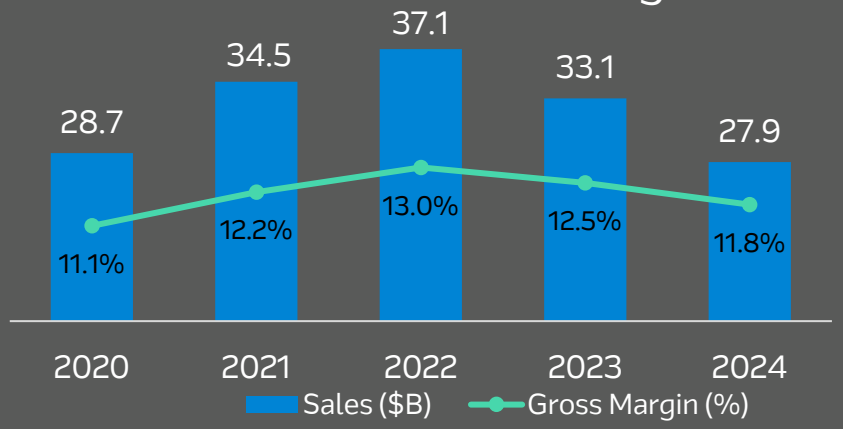
- Subscription management
- Cloud lifecycle management
- Cloud provisioning & workflow
- Financing services



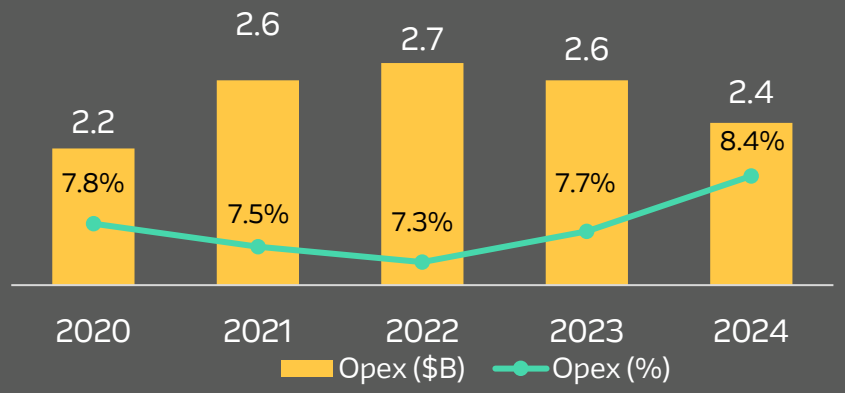
Financials

FY 2024 financial metrics

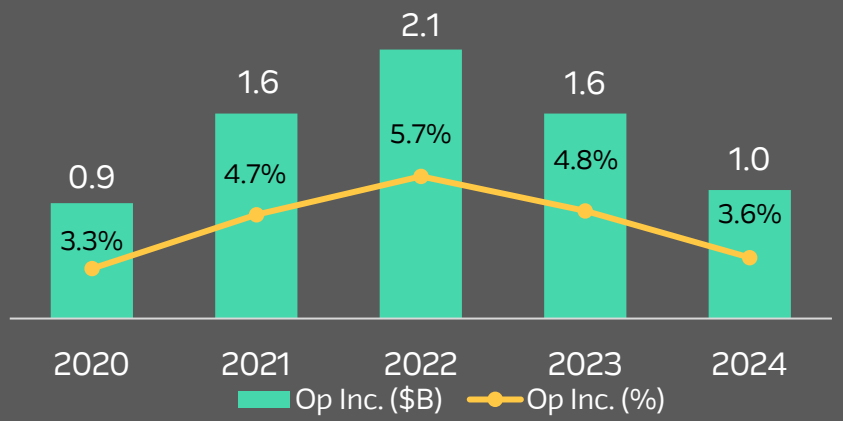
Sales & Gross Margin



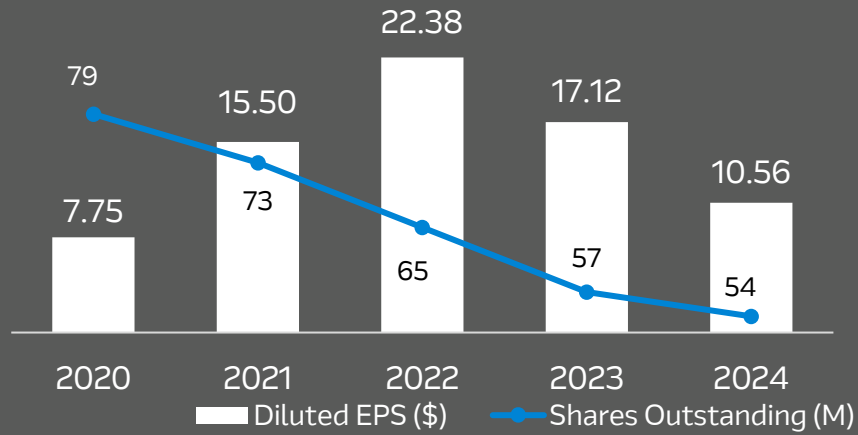
Non-GAAP Operating Expenses[1]



Non-GAAP Operating Income[1]



Non-GAAP Diluted EPS[1]



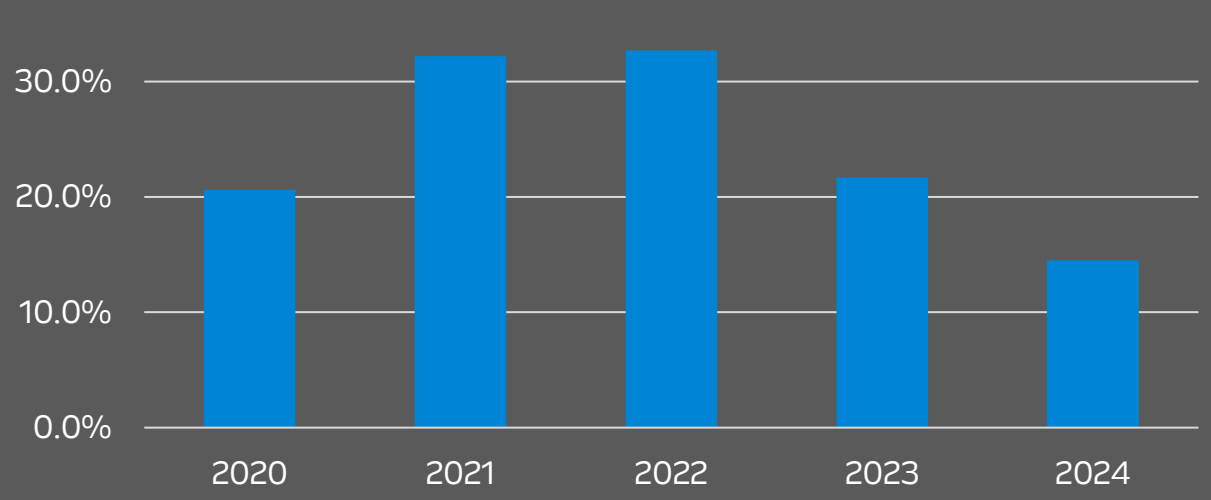
Global components FY '24 non-GAAP operating margin was 4.1%
Enterprise computing solutions FY '24 non-GAAP operating margin was 5.2%

Interest and other expense, net in 2024 was $270 million
Non-GAAP Effective Tax Rate was 21.8%[1]

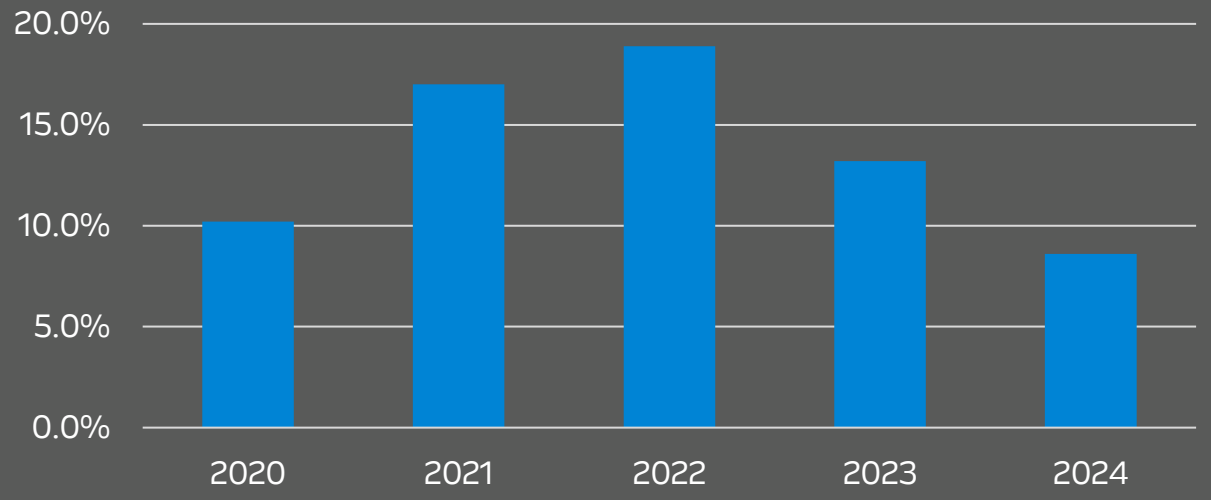
[1] See reconciliation to comparable GAAP figures in the tables at the end of this presentation

History of strong financial returns

Return on Working Capital (Non-GAAP)[1]



Return on Invested Capital (Non-GAAP)[1]



(1) Refer to backup section of this document for comparable GAAP figures and a reconciliation of GAAP to Non-GAAP

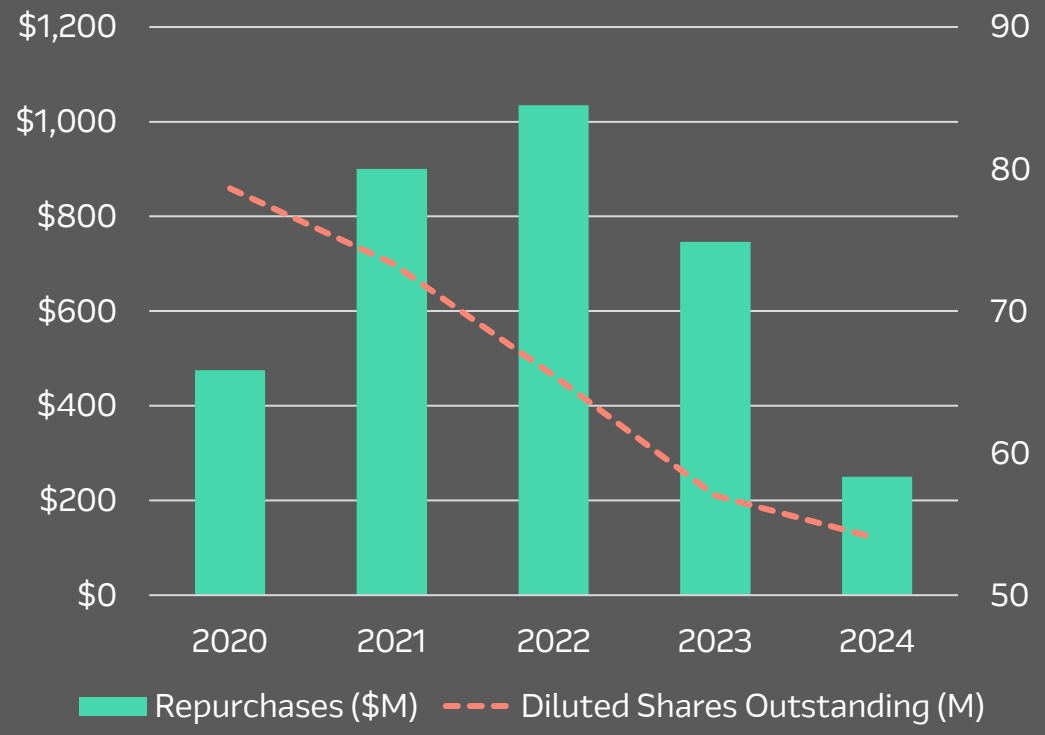
Disciplined approach to capital allocation

Capital priorities within the framework of an investment-grade credit rating

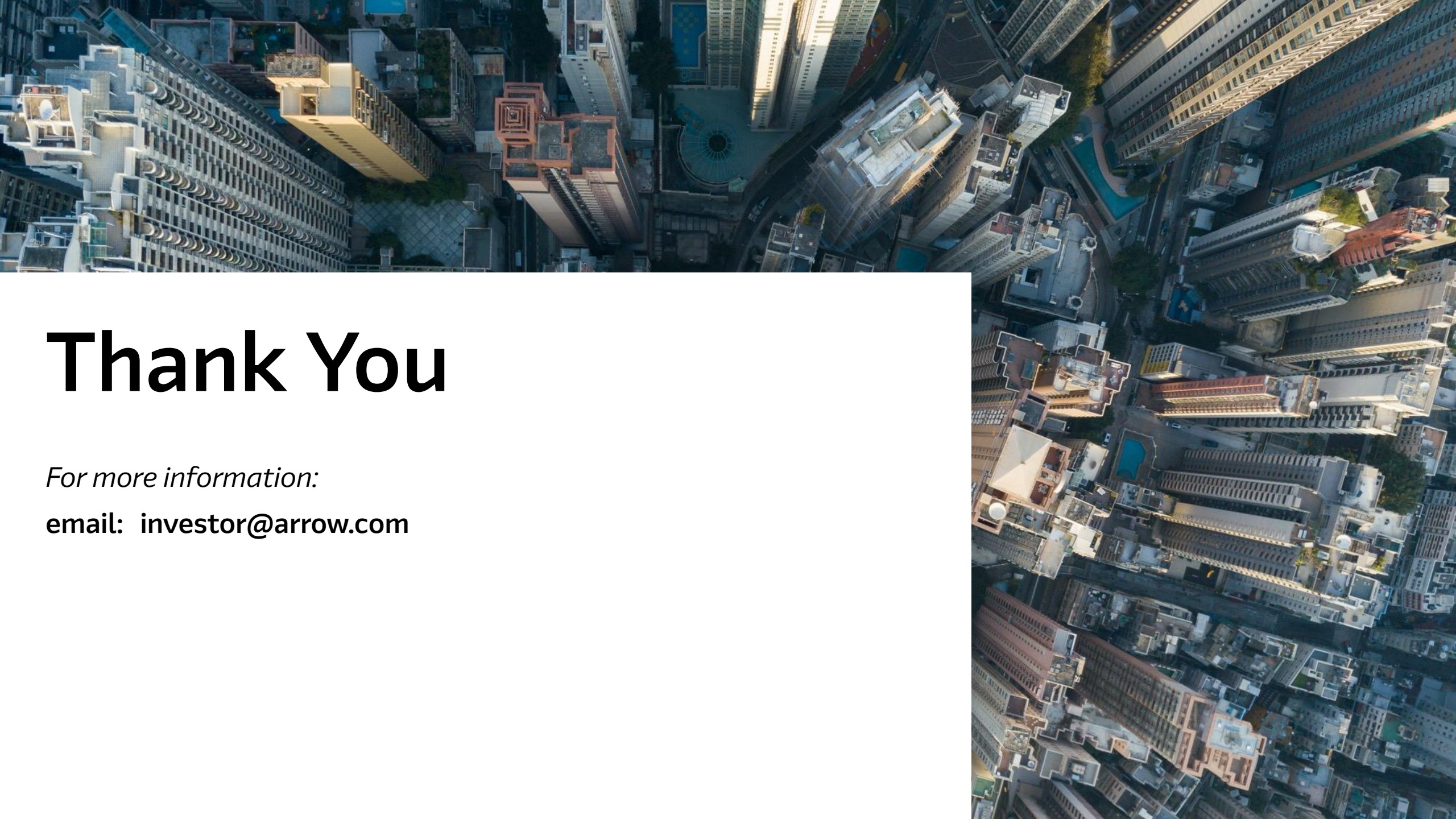
Invest in the business for organic growth

Acquire companies that meet our value criteria to strategically accelerate growth

Return excess capital to shareholders



$3.4B of cash returned to shareholders between 2020 and 2024 through repurchases



Thank You

For more information:

email: investor@arrow.com



Additional information and financial tables

Our network in numbers: FY 2024

CONSOLIDATED SALES

$27.9B

▼16%

GLOBAL COMPONENTS SALES

$20.0B

▼21%

GLOBAL ENTERPRISE COMPUTING SOLUTIONS SALES

$7.9B

▲3%

GROSS PROFIT

$3.3B ▼21%

OPERATING INCOME

$0.8B ▼48%

NET INCOME

$0.4B ▼57%

DILUTED EARNINGS PER SHARE

$7.29 ▼54%

AMERICAS COMPONENTS SALES

$6.4B ▼19%

EMEA COMPONENTS SALES

$5.6B ▼30%

ASIA PACIFIC COMPONENTS SALES

$7.9B ▼16%

AMERICAS ENTERPRISE COMPUTING SOLUTIONS SALES

$4.1B ▼2%

EMEA ENTERPRISE COMPUTING SOLUTIONS SALES

$3.9B ▲10%

Figures are in accordance with GAAP and reflect year-on-year performance.

Q1 2025 guidance

Consolidated Sales	$5.98 billion to $6.58 billion
Global components	$4.35 billion to $4.75 billion
Global ECS	$1.63 billion to $1.83 billion
Diluted Earnings Per Share [1]	$0.98 to $1.18
Non-GAAP Diluted Earnings Per Share [1]	$1.30 to $1.50
Interest and other expense, net	$60 million to $65 million

* Assumes an average tax rate in the range of 23% to 25%.

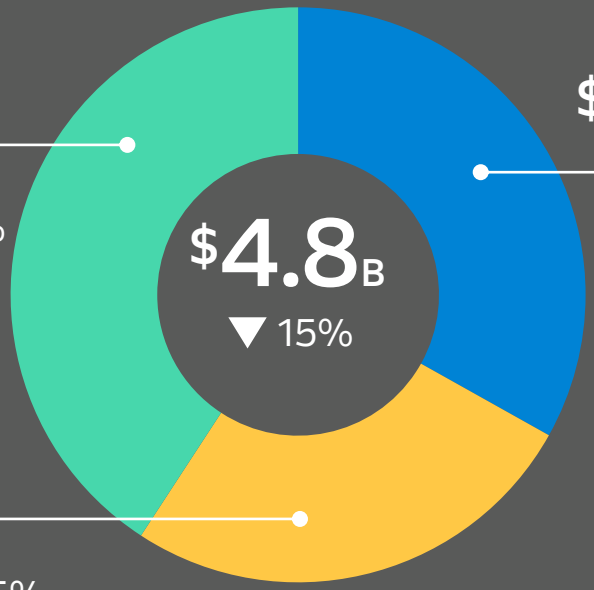
- We estimate changes in foreign currencies to decrease sales by $138 million and earnings per share on a diluted basis by $0.13 compared to the first quarter of 2024.
- We estimate changes in foreign currencies to decrease sales by $90 million and earnings per share on a diluted basis by $0.05 compared to the fourth quarter of 2024.



1. See reconciliation to comparable GAAP figures in the tables at the end of this presentation

Q4 2024 revenue ($7.3B consolidated)

Global Components



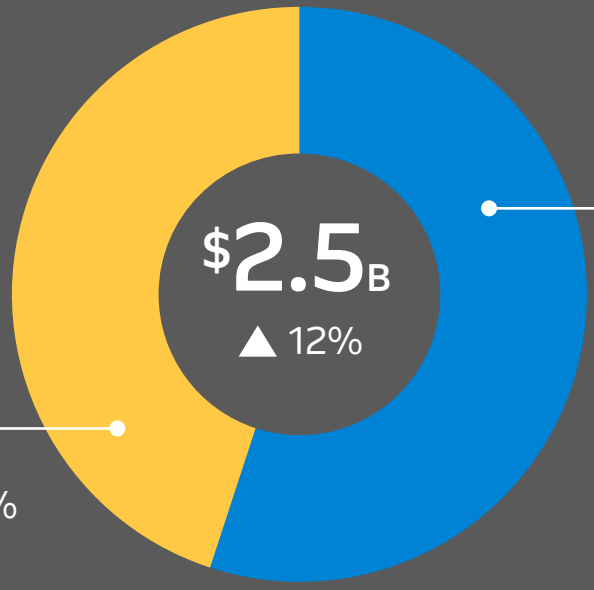
Asia Pacific
$1.9B ▼10%

$1.6B ▼10%
Americas

$4.8B
▼15%

EMEA
$1.3B ▼25%

Enterprise Computing Solutions



$1.2B ▲1%
Americas

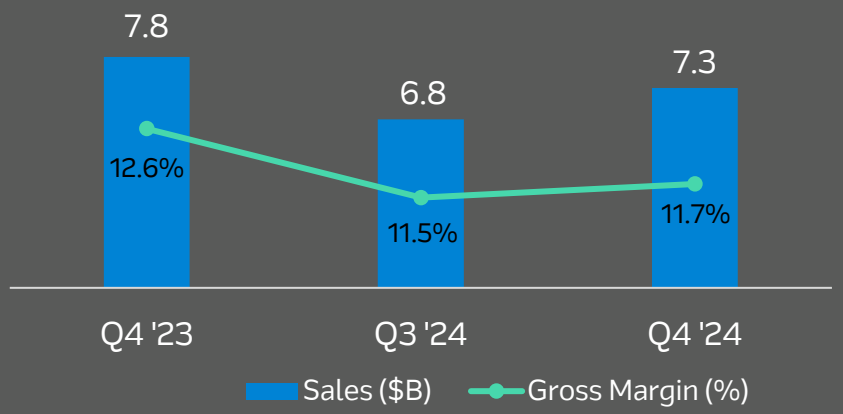
$2.5B
▲12%

EMEA
$1.3B ▲22%

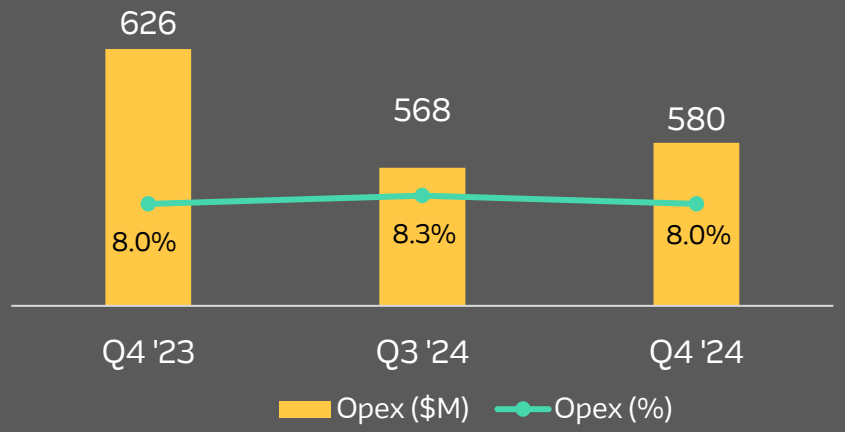
Revenue figures are GAAP and reflect year-on-year performance changes
Amounts may not calculate precisely due to rounding

Q4 2024 financial metrics

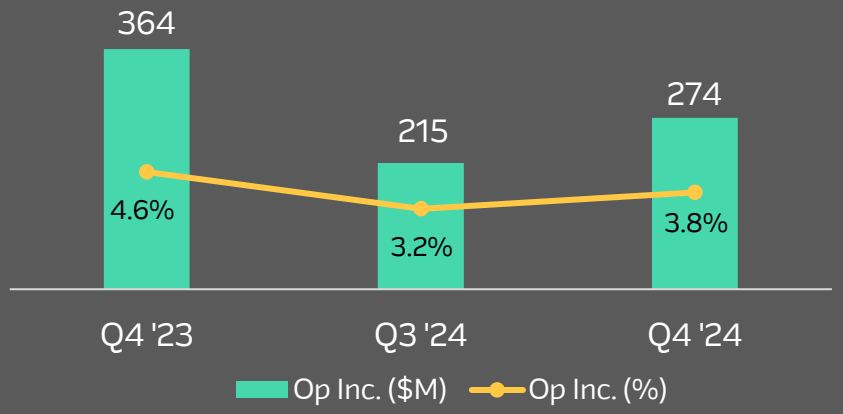
Sales & Non-GAAP Gross Margin[1]



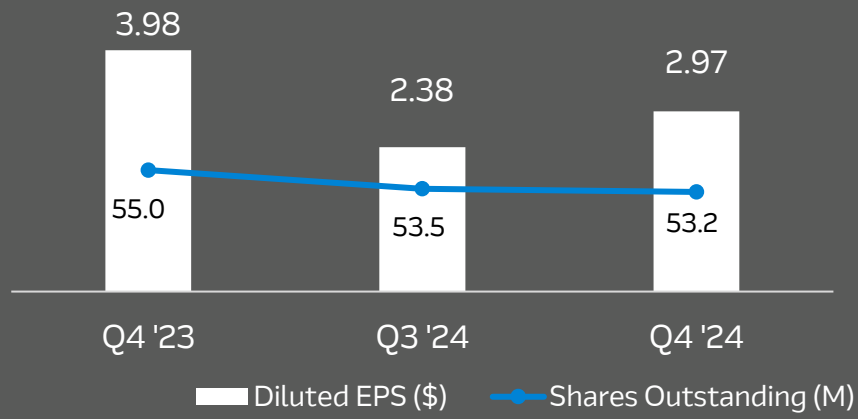
Non-GAAP Operating Expenses[1]



Non-GAAP Operating Income[1]



Non-GAAP Diluted EPS[1]

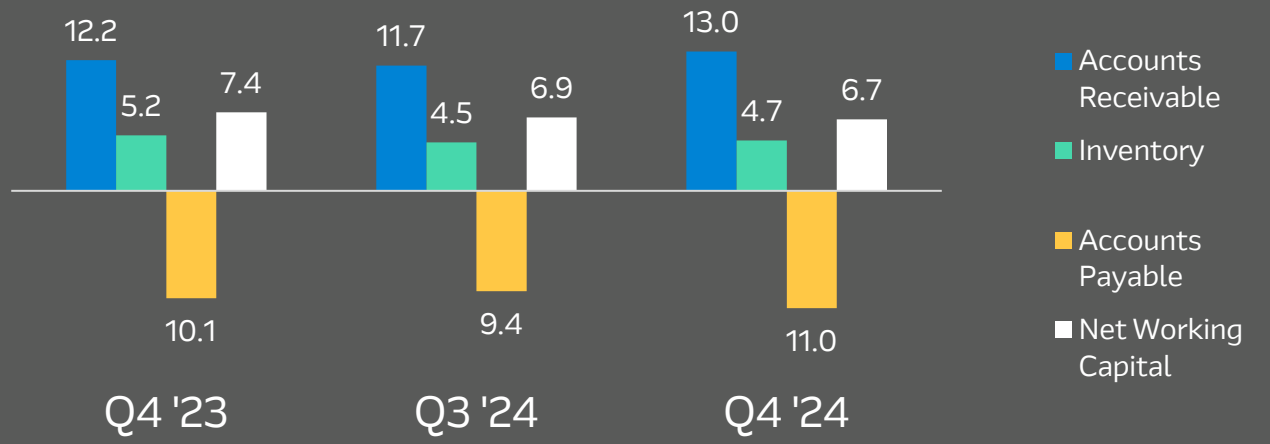


Interest and other expense, net in Q4 '24 was $60 million
Non-GAAP Effective Tax Rate was 24.9%[1]

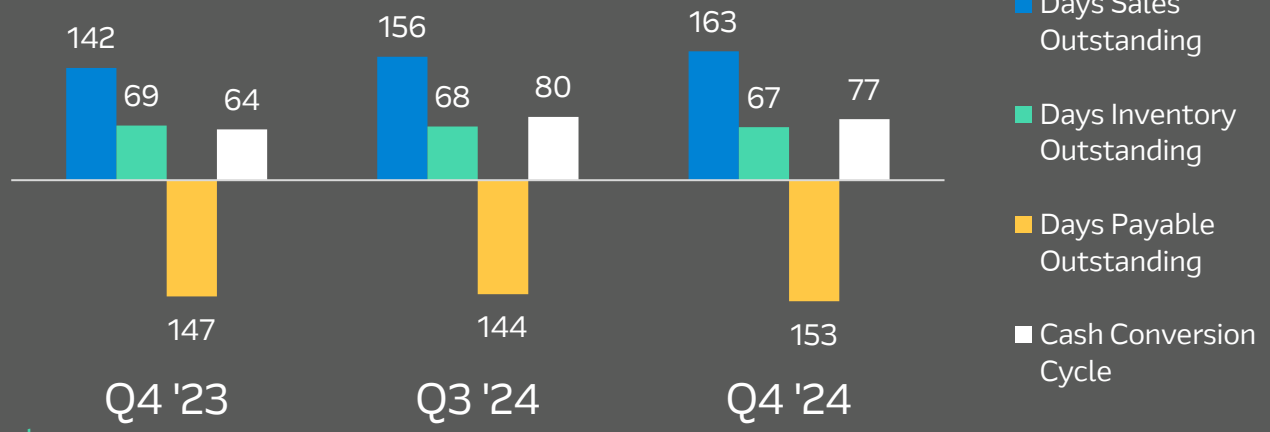
[1] See reconciliation to comparable GAAP figures in the tables at the end of this presentation

Working capital

Net Working Capital ($B)



Cash Conversion (Days)



Inventory Turns:	5.3	5.3	5.5

- **Non-GAAP Return on Working Capital (ROWC)[1]** was 16.4% in the fourth quarter, down 340 basis points year on year. The decrease in ROWC related primarily to lower operating income in Global Components.
- **Non-GAAP Return on Invested Capital (ROIC)[1]** was 9.2% in the fourth quarter, down 280 basis points year on year. The decrease in ROIC related primarily to lower operating income in Global Components.

[1]See reconciliation to comparable GAAP figures in the tables at the end of this presentation
Amounts may not calculate precisely due to rounding

Q4 2024 balance sheet and cash highlights

Operating Cashflow was $326M

Gross Debt was $3.1B

Repurchased $50M in shares



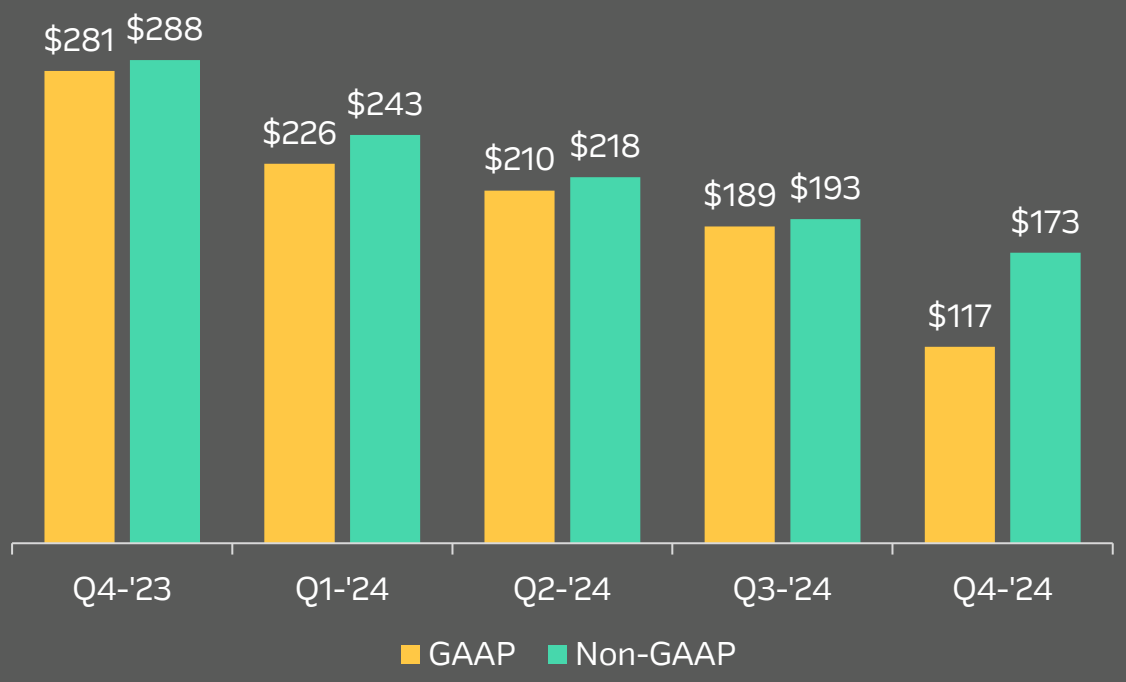
Revenue history

($ in millions, may reflect rounding)

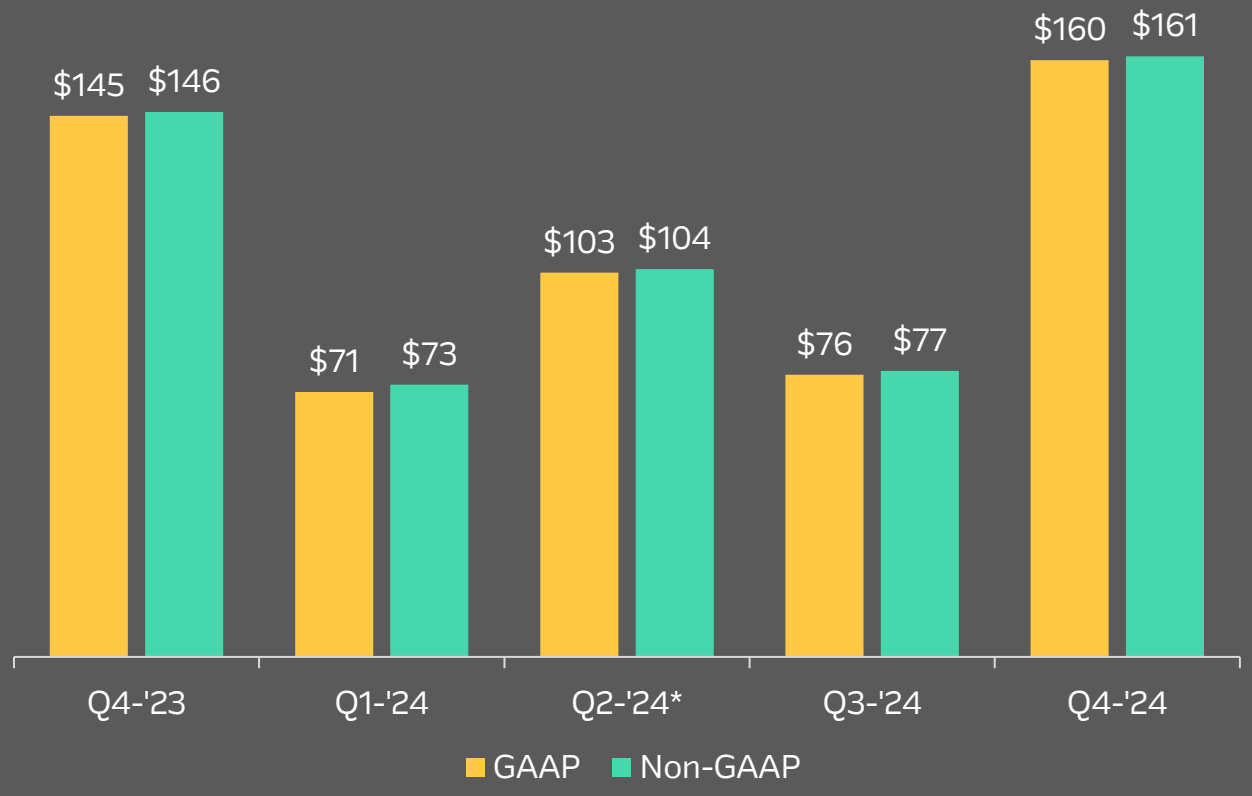
	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	YoY change	QoQ change
Global Components Total	$5,636	$5,191	$5,032	$4,946	$4,814	-15%	-3%
Americas	1,785	1,597	1,573	1,638	1,604	-10%	-2%
Europe, Middle East & Africa	1,688	1,657	1,439	1,290	1,262	-25%	-2%
Asia Pacific	2,163	1,938	2,020	2,018	1,948	-10%	-3%
Enterprise Computing Solutions Total	2,213	1,733	1,861	1,877	2,469	12%	32%
Europe, Middle East & Africa	1,067	825	897	844	1,307	22%	55%
Americas	1,146	908	964	1,033	1,162	1%	12%
Arrow Electronics Total	$7,849	$6,924	$6,893	$6,823	$7,283	-7%	7%

Operating income history

Global Components ($M)



Enterprise Computing Solutions ($M)



* Q2-'24 ECS operating income included a $20 million benefit for the collection of certain aged receivables related to one customer

Certain Non-GAAP financial information

In addition to disclosing financial results that are determined in accordance with accounting principles generally accepted in the United States (“GAAP”), the company also provides certain non-GAAP financial information relating to sales, gross profit, operating income (including by business segment), operating margin, operating expense, consolidated net income, noncontrolling interest, provision for income tax, income before income taxes, net income attributable to shareholders, effective tax rate, net income per share on a diluted basis, return on working capital, and return on invested capital.

These non-GAAP measures are adjusted by certain of the following, as applicable: the impact of changes in foreign currencies (referred to as "changes in foreign currencies" or "on a constant currency basis") by re-translating prior-period results at current-period foreign exchange rates, identifiable intangible asset amortization, restructuring, integration, and other charges, net gains and losses on investments, and the impact of wind down to inventory.

Management believes that providing this additional information is useful to the reader to better assess and understand the company's operating performance and future prospects in the same manner as management, especially when comparing results with previous periods. Management typically monitors the business as adjusted for these items, in addition to GAAP results, to understand and compare operating results across accounting periods, for internal budgeting purposes, for short- and long-term operating plans, and to evaluate the company's financial performance. However, analysis of results on a non-GAAP basis should be used as a complement to, in conjunction with, and not as a substitute for, data presented in accordance with GAAP.

For a complete reconciliation between our GAAP and non-GAAP results, please refer to reconciliations found at the end of this document.



First-quarter 2025 GAAP to non-GAAP outlook reconciliation

($ in billions, except per share data)

NON-GAAP SALES RECONCILIATION

	Quarter Ended			Quarter Ended		
	29-Mar-25	30-Mar-24	% Change	29-Mar-25	31-Dec-24	% Change
Global components sales, GAAP	$ 4.35 - 4.75	$ 5.19	(16%) - (8%)	$ 4.35 - 4.75	$ 4.81	(10%) - (1%)
Impact of changes in foreign currencies	—	(0.09)		—	(0.05)	
Global components sales, constant currency	$ 4.35 - 4.75	$ 5.10	(15%) - (7%)	$ 4.35 - 4.75	$ 4.76	(9%) - (0%)
Global ECS sales, GAAP	$ 1.63 - 1.83	$ 1.73	(6%) - 6%	$ 1.63 - 1.83	$ 2.47	(34%) - (26%)
Impact of changes in foreign currencies	—	(0.05)		—	(0.04)	
Global ECS sales, constant currency	$ 1.63 - 1.83	$ 1.68	(3%) - 9%	$ 1.63 - 1.83	$ 2.43	(33%) - (25%)

NON-GAAP EARNINGS RECONCILIATION

	REPORTED GAAP MEASURE	INTANGIBLE AMORTIZATION EXPENSE	RESTRUCTURING & INTEGRATION CHARGES	NON-GAAP MEASURE
Net income per diluted share	$0.98 - to $1.18	$0.07	$0.25	$1.30 to $1.50

Non-GAAP fourth-quarter sales reconciliation

($ in thousands)

	Quarter Ended		
	31-Dec-24	31-Dec-23	% Change
Consolidated sales, as reported	$ 7,282,877	$ 7,849,157	(7.2)%
Impact of changes in foreign currencies	—	(27,280)	
Consolidated sales, constant currency	$ 7,282,877	$ 7,821,877	(6.9)%
Global components sales, as reported	$ 4,813,760	$ 5,636,032	(14.6)%
Impact of changes in foreign currencies	—	(11,106)	
Global components sales, constant currency	$ 4,813,760	$ 5,624,926	(14.4)%
Americas components sales, as reported	$ 1,603,710	$ 1,784,764	(10.1)%
Impact of changes in foreign currencies	—	(763)	
Americas components sales, constant currency	$ 1,603,710	$ 1,784,001	(10.1)%
Asia components sales, as reported	$ 1,947,730	$ 2,163,421	(10.0)%
Impact of changes in foreign currencies	—	(2,923)	
Asia components sales, constant currency	$ 1,947,730	$ 2,160,498	(9.8)%
Europe components sales, as reported	$ 1,262,320	$ 1,687,847	(25.2)%
Impact of changes in foreign currencies	—	(7,420)	
Europe components sales, constant currency	$ 1,262,320	$ 1,680,427	(24.9)%
Global ECS sales, as reported	$ 2,469,117	$ 2,213,125	11.6%
Impact of changes in foreign currencies	—	(16,174)	
Global ECS sales, constant currency	$ 2,469,117	$ 2,196,951	12.4%
Americas ECS sales, as reported	$ 1,162,227	$ 1,145,754	1.4%
Impact of changes in foreign currencies	—	(2,914)	
Americas ECS sales, constant currency	$ 1,162,227	$ 1,142,840	1.7%
Europe ECS sales, as reported	$ 1,306,890	$ 1,067,371	22.4%
Impact of changes in foreign currencies	—	(13,260)	
Europe ECS sales, constant currency	$ 1,306,890	$ 1,054,111	24.0%

Quarterly GAAP to non-GAAP reconciliation

($ in thousands, except per share data)

Three months ended December 31, 2024

	Reported GAAP measure	Intangible Amortization Expense	Restructuring & Integration charges	Impact of Wind Down [1]	Other [2]	Non-GAAP measure
Operating income	$ 195,103	$ 7,219	$ 21,058	$ 50,344	$ -	$ 273,724
Income before income taxes	128,704	7,219	21,058	50,344	4,070	211,395
Provision for income taxes	28,816	1,786	4,318	16,692	977	52,589
Consolidated net income	99,888	5,433	16,740	33,652	3,093	158,806
Noncontrolling interests	680	135	-	-	-	815
Net income attributable to shareholders	$ 99,208	$ 5,298	$ 16,740	$ 33,652	$ 3,093	$ 157,991
Net income per diluted share [3]	$ 1.86	$ 0.10	$ 0.31	$ 0.63	$ 0.06	$ 2.97
Effective tax rate [4]	22.4%					24.9%

Three months ended December 31, 2023

	Reported GAAP measure	Intangible Amortization Expense	Restructuring & Integration charges	Impact of Wind Down [1]	Other [2]	Non-GAAP measure
Operating income	$ 316,679	$ 7,491	$ 39,664	$ -	$ -	$ 363,834
Income before income taxes	250,029	7,491	39,664	-	(14,635)	282,549
Provision for income taxes	53,823	1,863	9,331	-	(3,500)	61,517
Consolidated net income	196,206	5,628	30,333	-	(11,135)	221,032
Noncontrolling interests	1,669	131	-	-	-	1,800
Net income attributable to shareholders	$ 194,537	$ 5,497	$ 30,333	$ -	$ (11,135)	$ 219,232
Net income per diluted share [3]	$ 3.54	$ 0.10	$ 0.55	$ -	$ (0.20)	$ 3.98
Effective tax rate [4]	21.5%					21.8%

Three months ended September 28, 2024

	Reported GAAP measure	Intangible Amortization Expense	Restructuring & Integration charges	Impact of Wind Down [1]	Other [2]	Non-GAAP measure
Operating income	$ 175,262	$ 7,308	$ 34,466	$ (1,857)	$ -	$ 215,179
Income before income taxes	116,095	7,308	34,466	(1,857)	(3,757)	152,255
Provision for income taxes	15,198	1,819	8,592	(444)	(902)	24,263
Consolidated net income	100,897	5,489	25,874	(1,413)	(2,855)	127,992
Noncontrolling interests	330	136	-	-	-	466
Net income attributable to shareholders	$ 100,567	$ 5,353	$ 25,874	$ (1,413)	$ (2,855)	$ 127,526
Net income per diluted share [3]	$ 1.88	$ 0.10	$ 0.48	$ (0.03)	$ (0.05)	$ 2.38
Effective tax rate [4]	13.1%					15.9%

(1) Includes write downs of inventory related to the wind down of businesses.

(2) Other includes loss (gain) on investments, net.

(3) The sum of the components for non-GAAP diluted EPS, as adjusted may not agree to totals, as presented, due to rounding.

(4) The items as shown in this table, represent the reconciling items for the tax rate as reported and as a non-GAAP measure.

Full-year GAAP to non-GAAP reconciliation

($ in thousands, except per share data)

Year ended December 31, 2024

	Reported GAAP measure	Intangible Amortization Expense	Restructuring & Integration charges	Impact of Wind Down [1]	Non-recurring tax items	Other [2]	Non-GAAP measure
Operating income	$ 768,557	$ 29,529	$ 142,917	$ 60,573	$ -	$ -	$ 1,001,576
Income before income taxes	489,319	29,529	142,917	60,573	-	6,487	728,825
Provision for income taxes	95,812	7,348	35,138	19,139	-	1,557	158,994
Consolidated net income	393,507	22,181	107,779	41,434	-	4,930	569,831
Noncontrolling interests	1,433	541	-	-	-	-	1,974
Net income attributable to shareholders	$ 392,074	$ 21,640	$ 107,779	$ 41,434	$ -	$ 4,930	$ 567,857
Net income per diluted share [4]	$ 7.29	$ 0.40	$ 2.00	$ 0.77	$ -	$ 0.09	$ 10.56
Effective tax rate [5]	19.6%						21.8%

Year ended December 31, 2023

	Reported GAAP measure	Intangible Amortization Expense	Restructuring & Integration charges	Impact of Wind Down	Non-recurring tax items	Other [3]	Non-GAAP measure
Operating income	$ 1,471,164	$ 31,242	$ 83,916	$ -	$ -	$ -	$ 1,586,322
Income before income taxes	1,164,354	31,242	83,916	-	-	(19,284)	1,260,228
Provision for income taxes	254,991	7,824	19,969	-	(942)	(4,614)	277,228
Consolidated net income	909,363	23,418	63,947	-	942	(14,670)	983,000
Noncontrolling interests	5,858	539	-	-	-	-	6,397
Net income attributable to shareholders	$ 903,505	$ 22,879	$ 63,947	$ -	$ 942	$ (14,670)	$ 976,603
Net income per diluted share [4]	$ 15.84	$ 0.40	$ 1.12	$ -	$ 0.02	$ (0.26)	$ 17.12
Effective tax rate [5]	21.9%						22.0%

(1) Includes write downs of inventory related to the wind down of businesses.

(2) Other includes loss (gain) on investments, net and loss on extinguishment of debt.

(3) Other includes loss (gain) on investments, net.

(4) The sum of the components for non-GAAP diluted EPS, as adjusted may not agree to totals, as presented, due to rounding.

(5) The items as shown in this table, represent the reconciling items for the tax rate as reported and as a non-GAAP measure.

Full-year GAAP to non-GAAP reconciliation (cont.)

($ in thousands, except per share data)

Year ended December 31, 2022

	Reported GAAP measure	Intangible Amortization Expense	Restructuring & Integration charges	Impact of Wind Down	AFS Write off	Non- recurring tax items	Impairments	Other [1]	Non-GAAP measure
Operating income	$ 2,068,494	$ 34,692	$ 13,741	$ -	$ -	$ -	$ -	$ -	$ 2,116,927
Income before income taxes	1,884,150	34,692	13,741	-	-	-	-	2,857	1,935,440
Provision for income taxes	448,992	8,848	2,931	-	-	-	-	708	461,479
Consolidated net income	1,435,158	25,844	10,810	-	-	-	-	2,149	1,473,961
Noncontrolling interests	8,274	525	-	-	-	-	-	-	8,799
Net income attributable to shareholders	$ 1,426,884	$ 25,319	$ 10,810	$ -	$ -	$ -	$ -	$ 2,149	$ 1,465,162
Net income per diluted share [3]	$ 21.80	$ 0.39	$ 0.17	$ -	$ -	$ -	$ -	$ 0.03	$ 22.38
Effective tax rate [4]	23.8%								23.8%

Year ended December 31, 2021

	Reported GAAP measure	Intangible Amortization Expense	Restructuring & Integration charges	Impact of Wind Down	AFS Write off	Non- recurring tax items	Impairments	Other [2]	Non-GAAP measure
Operating income	$ 1,556,822	$ 36,930	$ 10,911	$ -	$ -	$ -	$ 4,482	$ -	$ 1,609,145
Income before income taxes	1,436,374	36,930	10,911	-	-	-	4,482	(12,770)	1,475,927
Provision for income taxes	325,906	9,457	2,341	-	-	-	1,078	(3,073)	335,709
Consolidated net income	1,110,468	27,473	8,570	-	-	-	3,404	(9,697)	1,140,218
Noncontrolling interests	2,271	590	-	-	-	-	-	-	2,861
Net income attributable to shareholders	$ 1,108,197	$ 26,883	$ 8,570	$ -	$ -	$ -	$ 3,404	$ (9,697)	$ 1,137,357
Net income per diluted share [3]	$ 15.10	$ 0.37	$ 0.12	$ -	$ -	$ -	$ 0.05	$ (0.13)	$ 15.69
Effective tax rate [4]	22.7%								22.7%

Year ended December 31, 2020

	Reported GAAP measure	Intangible Amortization Expense	Restructuring & Integration charges	Impact of Wind Down	AFS Write off	Non- recurring tax items	Impairments	Other [2]	Non-GAAP measure
Operating income	$ 894,511	$ 38,417	$ 13,288	$ (14,728)	$ (1,796)	$ -	$ 7,223	$ -	$ 936,915
Income before income taxes	759,259	38,417	13,288	(14,704)	(1,796)	-	7,223	(7,117)	794,570
Provision for income taxes	172,795	9,866	1,301	(3,143)	(432)	1,272	2,356	(1,717)	182,298
Consolidated net income	586,464	28,551	11,987	(11,561)	(1,364)	(1,272)	4,867	(5,400)	612,272
Noncontrolling interests	2,026	568	-	-	-	-	-	-	2,594
Net income attributable to shareholders	$ 584,438	$ 27,983	$ 11,987	$ (11,561)	$ (1,364)	$ (1,272)	$ 4,867	$ (5,400)	$ 609,678
Net income per diluted share [3]	$ 7.49	$ 0.36	$ 0.15	$ (0.15)	$ (0.02)	$ (0.02)	$ 0.06	$ (0.07)	$ 7.75
Effective tax rate [4]	22.8%								22.9%

(1) Other includes (gain) loss on investments, net.

(2) Other includes gain on investments, net and pension settlement gain.

(3) The sum of the components for non-GAAP diluted EPS, as adjusted may not agree to totals, as presented, due to rounding.

(4) The items as shown in this table, represent the reconciling items for the tax rate as reported and as a non-GAAP measure.

Gross profit and operating expense reconciliation

($ in thousands)

($ in thousands)	Quarter Ended 12/31/2023	3/30/2024	6/29/2024	9/28/2024	12/31/2024
Consolidated Gross Profit	$ 989,550	$ 857,826	$ 846,444	$ 784,828	$ 803,310
Impact of wind down to inventory	-	10,459	1,627	(1,857)	50,344
Consolidated non-GAAP gross profit	$ 989,550	$ 868,285	$ 848,071	$ 782,971	$ 853,654

($ in thousands)	Quarter Ended 12/31/2023	3/30/2024	6/29/2024	9/28/2024	12/31/2024
Consolidated Operating Expense	$ 672,871	$ 671,909	$ 634,169	$ 609,566	$ 608,207
Intangible Amortization Expense	(7,491)	(7,546)	(7,456)	(7,308)	(7,219)
Restructuring & Integration charges	(39,664)	(46,856)	(40,537)	(34,466)	(21,058)
Consolidated non-GAAP Operating Expense	$ 625,716	$ 617,507	$ 586,176	$ 567,792	$ 579,930

($ in thousands)	Quarter Ended 12/31/2023	3/30/2024	6/29/2024	9/28/2024	12/31/2024
Americas ECS gross billings	$ 2,814,075	$ 2,363,828	$ 2,441,126	$ 2,576,302	$ 2,942,118
EMEA ECS gross billings	2,732,696	2,044,590	2,031,940	1,983,482	3,144,823
Global ECS gross billings	$ 5,546,771	$ 4,408,418	$ 4,473,066	$ 4,559,784	$ 6,086,941

Return on working capital reconciliation

($ in thousands)

	Quarter Ended	
	December 31, 2024	December 31, 2023
Numerator:		
Consolidated operating income, as reported	$ 195,103	$ 316,679
	x4	x4
Annualized consolidated operating income	$ 780,412	$ 1,266,716
Non-GAAP consolidated operating income	$ 273,724	$ 363,834
	x4	x4
Annualized non-GAAP consolidated operating income	$ 1,094,896	$ 1,455,336
Denominator:		
Accounts receivable, net	13,030,991	12,238,073
Inventories	4,709,706	5,187,225
Less: Accounts payable	11,047,470	10,070,015
Working capital	6,693,227	7,355,283
Return on working capital	11.7%	17.2%
Return on working capital (Non-GAAP)	16.4%	19.8%

Return on invested capital reconciliation

($ in thousands)

	Quarter Ended	
	December 31, 2024	December 31, 2023
Numerator:		
Consolidated operating income, as reported	$ 195,103	$ 316,679
Equity in earnings of affiliated companies [1]	(544)	2,034
Less: Noncontrolling interests [1]	680	1,669
Consolidated operating income, as adjusted	193,879	317,044
Less: Tax effect [2]	43,568	68,590
After-tax consolidated operating income, as adjusted	150,311	248,454
	x4	x4
Annualized after-tax consolidated operating income, as adjusted	$ 601,244	$ 993,816
Non-GAAP consolidated operating income	$ 273,724	$ 363,834
Equity in earnings of affiliated companies [1]	(544)	2,034
Less: Noncontrolling interests [1]	815	1,800
Non-GAAP consolidated operating income, as adjusted	272,365	364,068
Less: Tax effect [3]	67,973	79,681
After-tax non-GAAP consolidated operating income, as adjusted	204,392	284,387
	x4	x4
Annualized after-tax non-GAAP operating income, as adjusted	$ 817,568	$ 1,137,548
Denominator:		
Average short-term borrowings, including current portion of long-term debt [4]	$ 629,902	1,621,308
Average long-term debt [4]	2,568,512	2,384,277
Average total equity [4]	5,933,803	5,715,391
Average cash and cash equivalents [4]	218,404	275,673
Invested capital	$ 8,913,813	$ 9,445,303
Return on invested capital	6.7%	10.5%
Return on invested capital (Non-GAAP)	9.2%	12.0%

(1) Operating income, as reported, and non-GAAP operating income is adjusted for noncontrolling interest and equity in earnings of affiliated companies to include the pro-rata ownership of non-wholly owned subsidiaries.

(2) The tax effect is calculated by applying the effective tax rate for the three months ended December 31, 2024 and December 31, 2023 to consolidated operating income, as adjusted. The tax rate is adjusted to exclude the impacts of interest expense, gain on investments, net, and employee benefit plan expense, net.

(3) The tax effect is calculated by applying the non-GAAP effective tax rate for the three months ended December 31, 2024 and December 31, 2023 to non-GAAP consolidated operating income, as adjusted. The tax rate is adjusted to exclude the impacts of interest expense and employee benefit plan expense, net.

(4) The quarter ended average is based on the addition of the account balance at the end of the most recently-ended quarter to the account balance at the end of the prior quarter and dividing by two.

Annual ROWC and ROIC reconciliation

($ in thousands)	2024	2023	2022	2021	2020
Numerator:					
Consolidated operating income, as reported	768,557	1,471,164	2,068,494	1,556,822	894,511
Equity in earnings of affiliated companies [1]	1,368	6,407	7,664	3,508	(531)
Less: Noncontrolling interests [1]	1,433	5,858	8,274	2,271	2,026
Consolidated operating income, as adjusted	768,492	1,471,713	2,067,884	1,558,059	891,954
Less: Tax effect [2]	150,486	323,586	494,690	354,044	203,511
After-tax consolidated operating income, as adjusted	618,006	1,148,127	1,573,194	1,204,015	688,443
Non-GAAP consolidated operating income	1,001,576	1,586,322	2,116,927	1,609,145	936,915
Equity in earnings of affiliated companies [1]	1,368	6,407	7,664	3,508	(531)
Less: Noncontrolling interests [1]	1,974	6,397	8,799	2,271	2,026
Non-GAAP consolidated operating income, as adjusted	1,000,970	1,586,332	2,115,792	1,610,382	934,358
Less: Tax Effect [3]	218,391	350,378	506,497	366,746	214,779
After-Tax non-GAAP consolidated operating income, as adjusted	782,579	1,235,954	1,609,295	1,243,636	719,579
Denominator:					
Average short-term borrowings, including current portion of long-term debt [4]	943,999	892,986	504,094	322,696	255,538
Average long-term debt [4]	2,480,428	3,068,681	2,852,348	2,034,077	2,231,394
Average total equity [4]	5,865,660	5,659,361	5,416,410	5,233,267	4,850,535
Less: Average cash and cash equivalents [4]	222,136	234,840	240,296	256,702	261,513
Invested Capital	9,067,951	9,386,188	8,532,556	7,333,338	7,075,954
Return on invested capital	6.82%	12.23%	18.44%	16.42%	9.73%
Return on invested capital (non-GAAP)	8.63%	13.17%	18.86%	16.96%	10.17%

($ in thousands)	2024	2023	2022	2021	2020
Numerator:					
Consolidated operating income, as reported	768,557	1,471,164	2,068,494	1,556,822	894,511
Non-GAAP consolidated operating income	1,001,576	1,586,322	2,116,927	1,609,145	936,915
Denominator:					
Accounts receivable, net [5]	11,788,955	11,383,143	11,227,736	9,401,688	8,283,552
Inventories [5]	4,775,686	5,458,019	4,827,278	3,647,146	3,351,088
Less: Accounts payable [5]	9,644,210	9,515,699	9,578,175	8,046,357	7,092,575
Working Capital	6,920,431	7,325,463	6,476,839	5,002,477	4,542,065
Return on working capital	11.11%	20.08%	31.94%	31.12%	19.69%
Return on working capital (non-GAAP)	14.47%	21.65%	32.68%	32.17%	20.63%

(1) Operating income, as reported, and non-GAAP operating income is adjusted for noncontrolling interest and equity in losses of affiliated companies to include the pro-rata ownership of non-wholly owned subsidiaries.

(2) The tax effect is calculated by applying the effective tax rate for the years ended to consolidated operating income, as adjusted. The tax rate is adjusted to exclude the impacts of interest expense, gain on investments, net, and employee benefit plan expense, net.

(3) The tax effect is calculated by applying the non-GAAP effective tax rate for the years ended to non-GAAP consolidated operating income, as adjusted. The tax rate is adjusted to exclude the impacts of interest expense and employee benefit plan expense, net.

(4) The year ended average is based on the addition of the account balance at the end of the five most recently-ended quarters and dividing by five.

(5) This amount is an average balance based on the addition of the account balance at the end of the five most recently-ended quarters and dividing by five.

Non-GAAP segment reconciliation

($ in thousands)

($ in thousands)	Quarter Ended 12/31/2023	3/30/2024	6/29/2024	9/28/2024	12/31/2024
Global components operating income, as reported	$ 281,260	$ 225,562	$ 210,201	$ 188,600	$ 116,910
Intangible assets amortization expense	6,436	6,488	6,399	6,247	6,162
Impact of wind down to inventory	-	10,459	1,627	(1,857)	50,344
Global components non-GAAP operating income	$ 287,696	$ 242,509	$ 218,227	$ 192,990	$ 173,416
Global ECS operating income, as reported	$ 145,053	$ 71,459	$ 102,581	$ 75,614	$ 160,421
Intangible assets amortization expense	1,055	1,058	1,057	1,061	1,057
Global ECS non-GAAP operating income	$ 146,108	$ 72,517	$ 103,638	$ 76,675	$ 161,478

Non-GAAP segment reconciliation (continued)

($ in thousands)

($ in thousands)	Quarter Ended 12/31/2023	12/31/2024
Global components gross profit, as reported	$ 702,412	$ 497,324
Impact of wind down to inventory	-	50,344
Global components non-GAAP gross profit	$ 702,412	$ 547,668
Global components gross profit, as a percentage of sales	12.5%	10.3%
Global components non-GAAP gross profit, as a percentage of sales	12.5%	11.4%
Global ECS gross profit, as reported	$ 287,138	$ 305,986
Global ECS gross profit as a percentage of sales, as reported	13.0%	12.4%